

1896.

FORTY-SECOND ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

OF THE

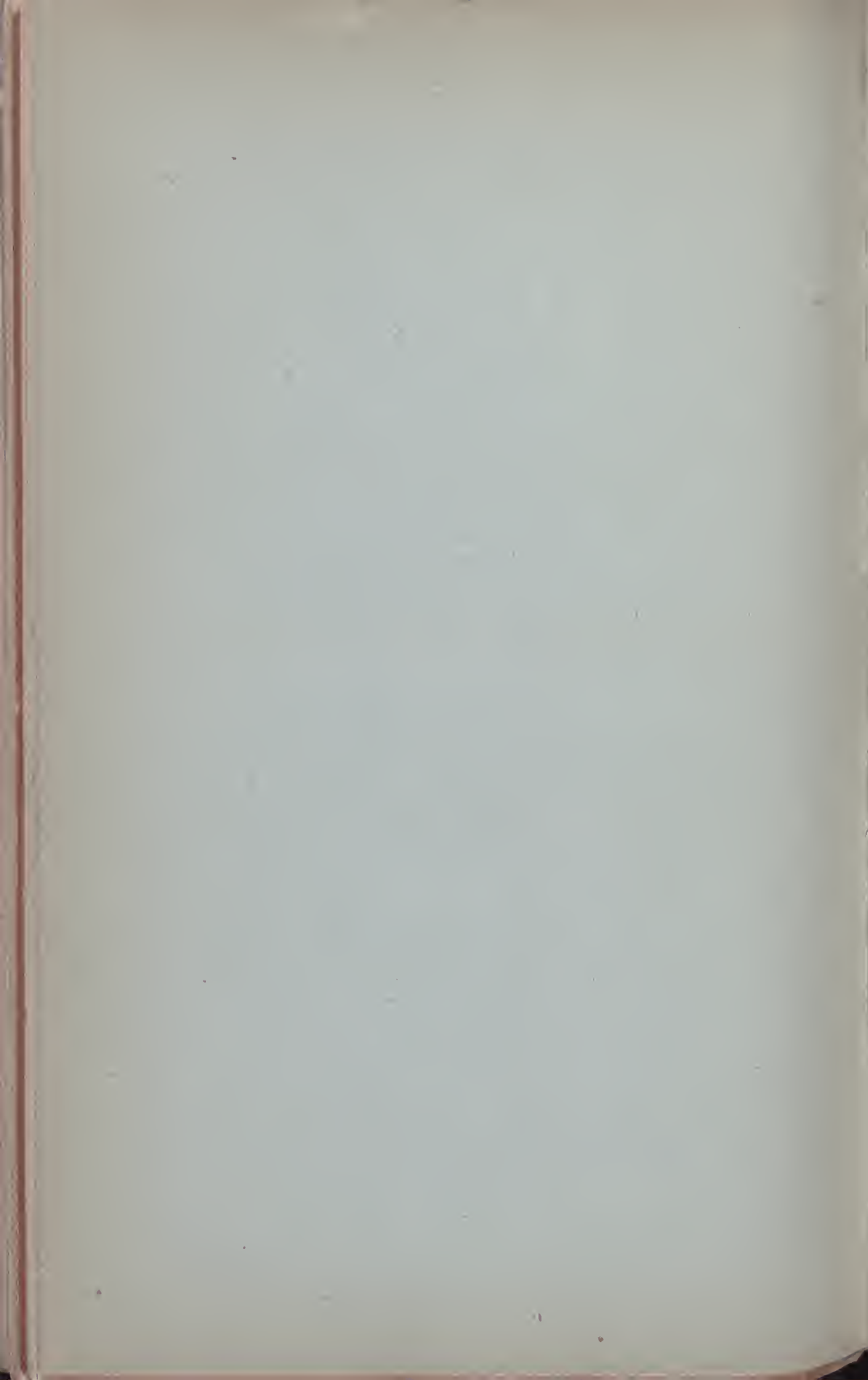
Lehigh Valley Railroad Company

TO THE

STOCKHOLDERS.

JANUARY 12th, 1897.

PHILADELPHIA:
ALLEN, LANE & SCOTT'S PRINTING HOUSE,
Nos. 1211-13 Clover Street.
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LEHIGH VALLEY RAILROAD COMPANY.

PRESIDENT,
ELISHA P. WILBUR.

VICE-PRESIDENT,
CHARLES HARTSHORNE.

SECOND VICE-PRESIDENT,
ROBERT H. SAYRE.

THIRD VICE-PRESIDENT,
JOHN B. GARRETT.

GENERAL SOLICITOR AND ASSISTANT TO PRESIDENT,
HENRY S. DRINKER.

TREASURER,
WM. C. ALDERSON.

SECRETARY,
JOHN R. FANSHAW.

ASSISTANT SECRETARY,
DAVID G. BAIRD.

COMPTROLLER,
ISAAC McQUILKIN.

DIRECTORS :

CHARLES HARTSHORNE,	CHARLES O. SKEER,
WILLIAM L. CONYNGHAM,	BEAUVEAU BORIE,
WILLIAM A. INGHAM,	JOSEPH WHARTON,
ROBERT H. SAYRE,	THOMAS MCKEAN,
JAMES I. BLAKSLLEE,	GEORGE H. MYERS,
JOHN B. GARRETT,	EUGENE DELANO.

OPERATING DEPARTMENT.

GENERAL SUPERINTENDENT,
ROLLIN H. WILBUR.

MANAGER OF LEHIGH VALLEY TRANSPORTATION COMPANY,
WILLIAM P. HENRY.



TRAFFIC DEPARTMENT.

GENERAL TRAFFIC MANAGER,
HENRY H. KINGSTON.

GENERAL FREIGHT AGENT,
JOHN H. HECKMAN.

GENERAL PASSENGER AGENT,
CHARLES S. LEE.

OFFICERS
OF THE
LEHIGH VALLEY COAL COMPANY.

PRESIDENT,
ELISHA P. WILBUR.

VICE-PRESIDENT,
CHARLES HARTSHORNE.

SECOND VICE-PRESIDENT,
WILLIAM H. SAYRE.

TREASURER,
JOHN B. GARRETT.

GENERAL LAND AGENT,
ISRAEL W. MORRIS.

SECRETARY,
JOHN R. FANSHAW.

GENERAL SUPERINTENDENT,
W. A. LATHROP.



ANNUAL REPORT

OF THE

LEHIGH VALLEY RAILROAD COMPANY

FOR THE FISCAL YEAR ENDED NOVEMBER 30th, 1896.



JANUARY 12th, 1897.

The results of the operations of the different railways comprising the Lehigh Valley Railroad System for the past year are as shown below.

The total tonnage for the fiscal year ended November 30th, 1896, as compared with the previous year, was as follows:—

TOTAL TONNAGE OVER ROAD IN TONS OF 2000 POUNDS.

	1896.	1895.	DIFFERENCES.
Anthracite coal	11,534,854	12,045,368	Dec. 510,514
Bituminous coal and coke	819,938	456,194	Inc. 363,744
Miscellaneous freights	6,520,576	5,857,625	" 662,951
Total	18,875,368	18,359,187	Inc. 516,181

TONS CARRIED ONE MILE.

	1896.	1895.	DIFFERENCES.
Anthracite coal	1,265,097,168	1,293,672,112	Dec. 28,574,944
Bituminous coal and coke	68,854,844	29,973,404	Inc. 38,881,440
Miscellaneous freights	1,555,587,281	1,283,200,794	" 272,386,487
Total	2,889,539,293	2,606,846,310	Inc. 282,692,983

AVERAGE FREIGHT RATES.

	1896.	1895.	DIFFERENCES.
Average rate per ton on coal .	69.80 cts.	67.76 cts.	Inc. 2.04 cts.
Average rate per ton per mile on coal . . . . .	.646 cts.	.640 cts.	" .006 cts.
Average rate per ton on mis- cellaneous freight	114.59 cts.	116.92 cts.	Dec. 2.33 cts.
Average rate per ton per mile on miscellaneous freight . .	.480 cts.	.534 cts.	" .054 cts.
Average rate per ton on total tonnage	85.27 cts.	83.45 cts.	Inc. 1.82 cts.
Average rate per ton per mile on total tonnage . . . . .	.557 cts.	.588 cts.	Dec. .031 cts.

PASSENGER TRAFFIC.

	1896.	1895.	DIFFERENCES.
Number of passengers carried .	5,020,864	4,748,037	Inc. 272,827
Number of passengers carried one mile	126,179,711	118,282,636	" 7,897,075

PASSENGER AVERAGES.

	1896.	1895.	DIFFERENCES.
Average mileage per passenger	25.13 miles	24.91 miles	Inc. .22 miles
Average receipts per passenger	50.92 cents	48.79 cents	" 2.13 cents
Average rate per mile	2.026 cents	1.958 cents	" .068 cents

INCOME ACCOUNT FOR YEAR 1896.

The transportation earnings of the past year, compared with those of 1895, were as follow:—

	1896.	1895.	DIFFERENCES.
From coal	\$8,623,573 81	\$8,470,859 32	Inc. \$152,714 49
" miscellaneous fgt. .	7,472,104 26	6,849,062 24	" 623,042 02
" passengers	2,556,535 68	2,316,540 33	" 239,995 35
" express and mail . .	340,082 10	281,795 71	" 58,286 39
" other items	522,364 32	646,196 56	Dec. 123,832 24
Total	\$19,514,660 17	\$18,564,454 16	Inc. \$950,206 01

TRANSPORTATION EARNINGS as stated	\$19,514,660 17
OPERATING EXPENSES. (See Appendix B.)	14,583,657 79
	<hr/>
Add net receipts from other transportation lines operated conjointly with Lehigh Valley Railroad	\$4,931,002 38 193,679 80
Net earnings	<hr/>
Less balance of interest account, loss on Lehigh Valley Transportation Company and Morris Canal, and State taxes	\$5,124,682 18 673,366 26
	<hr/>
Add income from other sources	\$4,451,315 92 482,479 33
Net available income	<hr/>
From which deduct interest on funded debt and fixed rental of leased lines	\$4,933,795 25 4,484,032 50
Surplus	<hr/>
	<hr/>
	\$449,762 75

The details of above items of operating expenses are supplied in a table appended to this report.

The balance to credit of Profit and Loss Account, November 30th, 1895, was	\$7,672,712 93
To which add :—	
Surplus earnings for 1896, as stated	449,762 75
Premium and profit on bonds sold, less balance of old accounts written off	2,451 56
	<hr/>
	\$8,124,927 24
From which deduct :—	
Interest on Lehigh Valley Coal Company bonds as- sumed by this Company	590,650 00
	<hr/>
Leaving a balance to credit of Profit and Loss Account, November 30th, 1896	\$7,534,277 24
	<hr/>

The capital account of the Company at the close of the fiscal year stood as follows :—

Common stock	\$40,334,800
Preferred stock	106,300
	<hr/>
	\$40,441,100
First mortgage six per cent. bonds, due June 1st, 1898 (coupon and registered)	\$5,000,000
Second mortgage seven per cent. bonds, due in 1910 (registered)	6,000,000

Consolidated mortgage bonds, due (excepting sterling and annuity bonds) in 1923:—

Six per cent. bonds:—

Sterling	\$610,000	
Coupon	1,319,000	
Registered	4,319,000	
Annuity	9,562,000	
	<hr/>	\$15,810,000

Four and one-half per cent. bonds:—

Coupon	\$1,669,000	
Registered	3,093,000	
Annuity	2,538,000	
	<hr/>	7,300,000

Car Trust five per cent. gold bonds:—

Series A, due in semi-annual payments to February 1st, 1906	950,000	
Series B, due in semi-annual payments to August 1st, 1906	500,000	
	<hr/>	\$35,560,000
		<hr/>
		\$76,001,100
		<hr/>

Three hundred and sixty of the sterling bonds (including thirty-four of the eighty-six purchased and canceled in 1895) were drawn payable December 1st, 1896, leaving \$284,000 bearing interest from that date and maturing December 1st, 1897.

The guarantees by this Company of outstanding stocks and bonds of affiliated companies are shown below:—

Pennsylvania and New York Canal and Railroad Company:—

First mortgage seven per cent. bonds, due 1906	\$1,500,000	
Five per cent. bonds, due 1939	4,000,000	
Four and one-half per cent. bonds, due 1939,	1,500,000	
Four per cent. bonds, due 1939	3,000,000	
	<hr/>	\$10,000,000

Easton and Amboy Railroad Company, first mortgage five per cent. bonds, due 1920 6,000,000

The Lehigh Valley Rail Way Company, first mortgage four and one-half per cent. gold bonds, due 1940 . . . 15,000,000

Lehigh Valley Terminal Railway Company, first mortgage five per cent. gold bonds, due 1941 10,000,000

Lehigh Valley Coal Company, first mortgage five per cent. gold bonds, due 1933 10,382,000

Delano Land Company, five per cent. gold bonds, due 1932	\$1,177,000
Morris Canal and Banking Company:—	
Preferred stock, ten per cent.	\$903,600
Consolidated stock, four per cent.	706,700
	<hr/>
	1,610,300
Lehigh and New York Railroad, first mortgage four per cent. gold bonds, due 1945	2,000,000
Easton and Northern Railroad, first mortgage four and one-half per cent. gold bonds, due 1935	51,000
Middlesex Valley Railroad, first mortgage five per cent. gold bonds, due 1942	211,000
Elmira, Cortland and Northern Railroad:—	
First mortgage bonds, five per cent., due 1914	1,250,000
Total	<hr/> <u>\$57,681,300</u> <hr/>

The monthly publication of the results of the business of this Company and of the Lehigh Valley Coal Company will be begun with the current fiscal year. The English system of annual examination of the Company's accounts by public accountants is also under consideration by a Committee of the Board of Directors.

Our Hazleton and Beaver Meadow coal lands being entirely distinct from our railroad lines, and being operated under leases either by the Lehigh Valley Coal Company or by other parties, a charter was obtained for the Hazleton Coal Company, to which these coal properties were deeded, and all the stock of which belongs to the Lehigh Valley Railroad Company. Its first mortgage 5 per cent. bonds for \$2,000,000, taken in part payment, have been guaranteed by this Company. This transaction does not affect the valuation on our books, and the interest and dividends to be received will take the place of the coal rents heretofore included in our income from other sources.

These bonds, as well as \$2,000,000 of the 5 per cent. first mortgage bonds of the Schuylkill and Lehigh Valley Railroad Company, \$500,000 of the 6 per cent. bonds of the Morris Canal and Banking Company, \$271,400 of the preferred and \$318,300 of the consolidated stock of the Morris Canal and Banking Company, \$249,000 of the bonds of the Easton and Northern Railroad Company, \$164,000 of the guaranteed

bonds of the Middlesex Valley Railroad Company, \$300,000 of the first mortgage bonds of the Rochester Southern Railroad Company, and \$1,400,000 of the first mortgage 5 per cent. bonds of the Lehigh Valley Coal Company, and amounting altogether to \$7,202,700, are among the assets of the Company, and do not appear in the list of guarantees.

As stated last year, the Delano Land Company provides the interest on its bonds guaranteed by us, and it also reduces the amount outstanding by the operation of its sinking fund. This now amounts to \$226,000, of which \$23,000 is in bonds of that company canceled and \$203,000 in other securities and cash in the hands of the Trustees awaiting investment.

The purposes contemplated by the organization of the Joint Traffic Association, alluded to in the last annual report, have been largely effected. Unjust discriminations in rates and fares have been in large measure avoided, resulting in improved earnings and in healthier relationships between the railway companies and shippers. Further benefits are anticipated as experience enables the Managers of that Association to determine what further revision can be judiciously recommended, and wherein economies of administration can be safely applied.

The coal business for the past year has been conducted with a greater regard to the question of supply and demand than has prevailed for some years previous, the efforts of the various companies engaged in the business having been directed, with better success than has heretofore attended such efforts, to the mining of only so much coal as the market demanded.

The effect of this policy, if pursued, will, it is hoped, result in the maintenance of the present distribution of tonnage among the various transportation interests, as any serious diversion from one to another is not likely to occur when each coal-producing district is engaged in meeting the natural demands upon it, and is not throwing away its product in a vain effort to force a market which does not exist.

The very large stocks of coal on hand at the beginning of the year, carried over from 1895, together with the commier-

cial stagnation and falling off in manufactures throughout the country, caused great depression in the trade, and it was not until midsummer that the price received for coal covered its cost, owing largely to the increased expense of operating the collieries when their production is small. The total tonnage of anthracite coal for the year, as compared with that of 1895, fell off about 3,250,000 tons, of which this Company lost about 500,000 tons. The better rates obtained in the latter part of the year produced an undiminished net revenue from that source, notwithstanding the loss in tonnage.

The large increase in coal on hand at all stocking points as compared with 1895 is due to excessive production at the close of the year, and has obliged us to make large advances to the Coal Company to enable them to carry it. Some of the smaller producers have, however, been forced to dispose of their surplus, resulting injuriously to the market. Unless something is done to prevent sales for future delivery at the lower prices usually current in the early part of the year, and to avoid excessive output of coal when not required, the favorable result anticipated for the current year may fail of realization.

The tonnage of miscellaneous freight shows an increase of 662,951 tons as compared with the previous year, and of \$623,042 of revenue. The reduction in the average rates prevailing throughout the year of .031 cent per ton upon the total tonnage carried one mile, as compared with 1895, reduced our income about \$900,000.

The matter of our claim against the Philadelphia and Reading Railroad Company on unadjusted account, referred to in the last annual report, has been the subject of repeated conferences by the President of this Company with the Receivers of the Philadelphia and Reading Railroad Company, and since the reorganization of the Reading, with the President of the Philadelphia and Reading Railway Company as the owners of the property of the former organization. The reorganization of the Reading Company has to some degree delayed the negotiations, but inasmuch as under the order of court authorizing the sale of the property the purchasers assume the

liability of the Receivers in regard to claims against them, and as this Company holds collateral for its claim against the Philadelphia and Reading Railroad Company, we are advised that the interests of this Company are protected. Our claim has been fully presented to the authorities of the Philadelphia and Reading Railway Company, and its final adjustment and payment should not be long deferred.

For the first time in the history of the Company the ton-mileage of miscellaneous freights has exceeded that of anthracite and bituminous coal and coke.

In addition to the Middlesex Valley Railroad, of which, as stated last year, we obtained possession on December 1st, 1895, the Board, in February last, directed the purchase of the entire capital stocks of the companies forming the line of the Elmira, Cortland and Northern Railroad, extending from Elmira, N. Y., to Camden, in the same State, a distance of about 140 miles, the consideration being the indorsement of \$1,250,000 of the first mortgage 5 per cent. bonds of that company. These lines, besides having good local trade, are both important feeders to the general business of our Company. The cost of bringing them up to our standard of track and roadbed has been included in our general operating expenses, and the earnings form part of the income accounts herewith submitted.

The Greenville and Hudson Railway, about 2.62 miles in length, connecting our road at Greenville with our docks at Jersey City, and which will, when completed, materially increase our much-needed yard facilities at Jersey City, has been under construction during the past year and the work is well advanced. The road crosses the Newark and New York Railroad and the Central Railroad of New Jersey overhead, the masonry has been completed, and a part of the bridge superstructure is in place. This road, when finished, will complete the connection between our lines from Buffalo to our terminals at tidewater, Jersey City, and very much facilitate our traffic to and over our docks.

To provide for 2000 box freight cars, 1000 gondola coal cars, 50 stock cars, and 6 combination cars, purchased last year, the Board directed the issue of \$1,500,000 in Car Trust

bonds bearing interest at 5 per cent., and payable at semi-annual periods during ten years; \$50,000 matured and were paid August 1st, 1896. The remainder of the cost of this equipment, and the whole cost of 50 locomotives purchased during the year, has been paid from other sources.

Attention is called to the continuing large increase in the passenger business. While this is partly due to the added volume obtained during the year through the acquirement of the Elmira, Cortland and Northern Railroad, yet a considerable portion has been secured and developed by an active solicitation for business, and by the improvement of our train service.

The operation of the dining and café cars and restaurants has proved satisfactory. This department is now operating two dining cars, two café cars, and the station restaurants at Easton, Wilkes-Barre, Sayre, and Geneva.

The running of the Black Diamond Express between New York and Buffalo, which was put on in May last, has proved to be even more satisfactory in its results than we had any reason to anticipate. The train has become a very popular one with the traveling public. The receipts from the date of its inauguration have been more than sufficient to pay all expenses, while the reports show that our other through trains have also increased their earnings.

During the year we have established a line of postal cars for the carrying of United States mail between New York and Buffalo. These cars were built by our Company for this service upon the application of the Post Office Department.

The comparative statement of freight handled at Buffalo Tift-Farm shows an increase over 1895 of 60,887 tons of east bound, and a decrease of 25,221 tons west bound.

The following is a statement of tonnage of miscellaneous freight (exclusive of coal and coke) handled at Jersey City and Perth Amboy, and passing over the docks at those points, including Grand Street, Avenue "D," and National Docks, as compared with the tonnage in 1895:—

	1896.	1895.	INCREASE.
Net tons	2,818,531	2,341,727	476,804

A number of changes have been made in our tracks at the various collieries in the Wyoming and Mahanoy regions, on account of the installation of track scales at the collieries for the weighing of coal.

We hope during the coming year to inaugurate train service for the through movement of coal, weighed at the mines, from Delano, Weatherly, and Fairview to tidewater without change of engines, and without yarding and weighing the coal at Packerton.

The new station at Pittston, referred to in our last report, is completed and now in use. The construction of this station enabled us to abandon what is known as the Town Track in Pittston for our passenger trains. All through trains are now run on our main double-track line along the river front, avoiding the danger which attended running through the city of Pittston. The town track continues to be used for the movement of local freight trains.

The large volume of business, requiring a great number of trains to move it expeditiously and safely, has required more interlocking signal plants and the extension of the Hall system referred to in our last report. New signal plants have been erected at Black Creek Junction, Hazle Creek Junction, Coxton Yard, Rochester Junction, Depew Junction, and Tonawanda Junction, at a cost of \$23,683.44. The Hall automatic block signals have been erected and are now in use, with few exceptions, between Neshanic, N. J., and L. and B. Junction, 141.20 miles. There has been expended on this work during the year \$198,654.39.

Our business to and from Rochester is increasing annually, notwithstanding the inadequate terminal facilities afforded. Considerable preparatory work has been done towards the necessary foundations for the proposed new station at Court Street, Rochester, about \$30,000 having been expended. This work has been practically suspended for the present.

Work was begun on the connection between our road at Easton Station and the Easton and Northern Railroad. The major part of the grading and masonry is done, though work is now suspended thereon.

During the last few months of the year experiments have been made in the mixture of bituminous with the smaller sizes of anthracite coal for locomotive fuel. It is too soon to give any very definite figures as to the results of these experiments, but the opinion of all our Master Mechanics, as well as of the General and Division Superintendents and the Superintendent of Motive Power, is that the saving in cost will be large.

The tonnage hauled by our engines has been increased during the past year by not less than 15 per cent. Our engines are now being weighted in accordance with the weight of the train, and not by the number of cars, as was formerly the custom, the result being increased service from our engines with the same cost for crews.

During the past year we have changed our standard rail section and increased the weight of our standard rails from 80 to 90 pounds to the yard. The estimate of new rails required for the coming year for renewals and repairs only is 7000 tons.

The importance of a full supply of water for our locomotives and for mine purposes has prompted the purchase of a mill property on the Quakake Creek containing 82 acres. A 12-inch pipe, 34,250 feet in length, has been laid, reaching the 10-inch pipe now in use at Hazleton; 25,200 feet of this (covering the portion under extreme pressure) is laid with 12-inch wrought iron pipe, tested to a pressure of 1000 pounds to the square inch. The foundations for the pumps are in, and the pumps will be delivered in January. These are guaranteed to carry to Hazleton 2,300,000 gallons per 24 hours. There has been an 8-inch connection put into both Hazleton No. 1 and the new Hazleton shaft plants, so that we can force a large volume of water to either of these places in case of emergency. The whole cost of this work up to this time has been \$100,000. There has also been expended on the reservoirs at Hazleton \$35,900, and on Delano Water Supply \$13,600.

The general condition of the Company's property has been maintained up to the usual standard during the past year.

The length of lines embraced in the Lehigh Valley system, including second track, branches, &c., is as follows:—

DIVISION.	MAIN LINE.		BRANCHES AND SIDINGS. MILES.	TOTAL MILES.
	SINGLE TRACK. MILES.	SECOND TRACK. MILES.		
Easton and Amboy R. R., including all Lines east of Phillipsburg . .	107.927	84.397	154.911	347.235
Lehigh Division	58.373	47.577	129.825	235.775
Wyoming Division	191.278	73.141	132.907	397.326
Beaver Meadow Division	19.218	9.556	20.455	49.229
Hazleton Division	51.663	12.906	53.210	117.779
Mahanoy Division	95.164	40.736	57.203	193.103
Pottsville Division	40.514	. . . .	12.291	52.805
Penna. and New York Division . .	293.910	173.490	129.358	596.758
Buffalo Division	128.731	97.852	99.949	326.532
Auburn Division	300.607	. . . .	66.757	367.364
Easton and Northern R. R.	8.137	. . . .	2.047	10.184
Total	1,295.522	539.655	858.913	2,694.090

The Depew and Tonawanda Railroad, referred to in our last report, was opened for business November 15th, and all traffic destined for Suspension Bridge and west thereof, and east-bound traffic, which was formerly delivered to and received from the New York Central Railroad at Batavia, now goes over our own main line to Depew, and thence over the new line to North Tonawanda, in all 39.62 miles, as compared with 36.35 miles by the New York Central Railroad.

The equipment belonging to the various companies composing the Lehigh Valley system on November 30th, 1896, was as follows:—

Locomotives	750
Chair cars	12
Passenger cars	243
Combination cars	69
Dining cars	3
Baggage and mail cars	33

Postal cars	3
Express cars	38
Special cars	4
Fruit cars	11
Freight cars	18,390
Coal cars, eight-wheeled	12,127
Coal cars, four-wheeled	17,520
Cars used in transportation and roadway departments	792

The total capacity in tons of 2000 pounds of our freight and coal car equipment is 905,020 tons.

The expense for maintenance of equipment has increased this year by extraordinary work made necessary by the enactment of laws of the various States and of the United States, as follows :—

Cost of equipping cars with Master Car Builders' Couplers .	\$55,103 12
Cost of equipping cars with air brakes	27,523 86
Cost of raising cars to secure standard height of draw bars .	26,279 45
	<u>\$108,906 43</u>

THE LEHIGH VALLEY COAL COMPANY.

The following table is summarized from the report of W. A. Lathrop, General Superintendent of the Lehigh Valley Coal Company, and shows the tonnage of that Company's collieries for the past year compared with the two preceding years.

	1896.	1895.	1894.
	Tons.	Tons.	Tons.
Amount of coal shipped from collieries owned and operated by this Company	2,819,757	2,619,960	2,061,115
Amount of coal shipped by tenants of this Company	2,278,434	2,864,090	2,822,135
Total	5,098,191	5,484,050	4,883,250
From Wyoming region	2,383,951	2,693,040	1,917,223
“ Lehigh “	684,960	653,233	1,185,896
“ Pottsville “	119,974	142,796	152,441
“ Mahanoy “	1,142,366	1,994,981	1,627,690
“ Shamokin “	766,940	. . . . .	. . . . .
Total	5,098,191	5,484,050	4,883,250

Showing a decrease for the year 1896 of 385,859 tons.

The present capacity of the collieries operated by the Coal Company, per day of ten hours, as shown by the results during the year, is about 17,966 tons, an increase of 2275 tons as compared with the capacity at the close of the fiscal year of 1895, due principally to our acquisition of the collieries upon the Locust Mountain property, and to Primrose, which was idle in 1895.

Seven hundred and ninety-two thousand eight hundred and sixty-seven and eleven one-hundredths tons were shipped from property covered by mortgage, making the gross sum set aside for the sinking fund this year \$79,286.75, the amount last year being \$77,841.55.

The coal storage plant at West Superior has been completed and kept in successful operation throughout the year.

Active operations upon the Calumet Dock, which is located at One Hundredth Street, South Chicago, were commenced on February 1st, 1896, and the machinery completed and put in operation July 13th. The plant is designed to transfer coal directly from vessels to cars, or to put it into storage and later to transfer it to cars. It consists of three large wooden storage sheds and a set of reloading pockets along the dock front, all covered with corrugated iron. Both the storage sheds and pockets are provided with necessary elevators, screens, conveyors, and other appliances for economical handling. The coal is unloaded from vessels by means of five towers, with automatic clam-shell buckets. The entire cost of the plant, machinery, dock repairs, dredging slip, &c., was \$205,847.81, exclusive of the cost of the real estate. This dock, though differently designed, works upon the same general principle as our dock at West Superior, and is most satisfactory. The average cost of discharging vessels at West Superior during the boating season was 3.63 cents per gross ton, and at Calumet Dock, for three months, the average cost was 5.49 cents per gross ton, as against a cost of 17.17 cents per gross ton under the old system at Chicago Avenue and 19.06 cents per gross ton at Harrison Street, Chicago. The reason for a higher cost at Calumet Dock than at West Superior is because of the lack of experience in hand-

ling the machinery. Next season should show the cost of discharging at each to be the same.

The coal yards and stocking grounds owned and controlled by our railroad and coal companies, together with their respective tonnage capacities, are located as follows :—

	Tons.
Perth Amboy	200,000
South Plainfield	310,000
Jersey City Wharf	40,000
“ Grand Street	5,000
Newark, Hamburg Place	6,000
“ South Broad Street	14,000
“ Orange Street	6,000
Ithaca Docks	75,000
Fair Haven Docks	50,000
Rochester Trestle	4,000
Buffalo, Cheektowaga Trestle	163,000
“ Tift Farm	90,000
“ Lehigh Docks, No. 1	4,000
“ “ No. 2	7,000
“ Louisiana Street Yard	1,500
“ Seneca Street Yard	500
“ Main Street Yard	500
Chicago, Calumet Dock	75,000
“ Chicago Avenue Yard	39,000
“ Harrison Street Yard	17,000
“ Thirty-first Street Yard	16,000
“ Twenty-second Street Yard	1,500
West Superior Dock	100,000
St. Paul Yard	500
Minneapolis Yard	500
	<hr/>
	1,226,000
	<hr/>

There has been no change during the year either in the Board of Directors or the general officers.

By order of the Board of Directors.

E. P. WILBUR,
President.

APPEN

LEHIGH VALLEY

CONDENSED GENERAL BALANCE SHEET

ASSETS.	1896.		1895.		INCREASE.	DECREASE.
Railroad	\$18,637,158	03	\$18,304,033	64	\$333,124	39
Construction work in progress	187,327	86	29,869	59	157,458	27
Equipment	23,970,672	64	21,404,928	84	2,565,743	80
Real estate	2,023,812	67	3,112,559	00		\$1,088,746 33
Materials on hand	1,196,644	75	1,277,818	15		81,173 40
	\$46,015,615	95	\$44,129,209	22		
Cash and cash assets	1,656,221	24	3,874,804	32		2,218,583 08
Brown, Shipley & Co., London			2,661,591	57		2,661,591 57
Due by station agents	\$686,776	35	\$740,313	31		53,536 96
Due by individuals and companies	731,448	09	544,244	42	187,203	67
Bills receivable	453,238	56	361,066	69	92,171	87
	1,871,463	00	1,645,624	42		
Mortgages receivable	755,916	94	815,737	84		59,820 90
Stocks of railroad and water lines, included in Lehigh Valley system,	\$17,227,421	91	\$17,424,284	66		196,862 75
Bonds of railroad and water lines, included in Lehigh Valley system,	2,933,301	00	2,927,500	00	5,801	00
Advances to railroad and water lines, included in Lehigh Valley system,	5,767,400	23	4,433,410	99	1,333,989	24
	25,928,123	14	24,785,195	65		
Stocks of allied coal companies	\$1,273,808	82	\$1,273,978	82		170 00
Bonds of Lehigh Valley Coal Co.	1,400,000	00	1,675,000	00		275,000 00
Bonds of other coal companies	1,023,221	63	201,000	00	822,221	63
Advances to Lehigh Valley Coal Co.	5,166,889	85	3,307,038	28	1,859,851	57
Advances to other controlled coal companies	250,724	48	275,584	44		24,859 96
	9,114,644	78	6,732,601	54		
Stocks of other companies	\$707,614	70	\$401,114	70	306,500	00
Bonds of other companies	236,744	58	89,144	58	147,600	00
Advances to other companies	619,798	77	510,225	77	109,573	00
	1,564,158	05	1,000,485	05		
Car trust certificates Lehigh Valley Terminal Railway	1,000,000	00	1,000,000	00		
Philadelphia and Reading Railroad, lessees	3,210,991	32	3,066,067	12	144,924	20
	\$91,117,134	42	\$89,711,316	73	\$1,405,817	69

DIX A.

RAILROAD COMPANY.

NOVEMBER 30TH, 1895 AND 1896.

LIABILITIES.	1896.	1895.	INCREASE.	DECREASE.
Capital stock	\$40,441,100 00	\$40,441,100 00		
Funded debt	34,110,000 00	34,173,000 00		\$63,000 00
Car Trust Bonds	1,450,000 00		\$1,450,000 00	
Bills payable	2,453,000 00	2,498,253 75		45,253 75
Sterling bonds drawn and uncalled for	5,000 00	4,000 00	1,000 00	
Dividends, &c., uncalled for	4,066 88	5,741 38		1,674 50
Bond interest due and uncalled for	30,972 25	26,352 50	4,619 75	
Bond interest due December 1st, proximo	840,078 00	895,440 00		55,362 00
Mortgages on real estate	347,851 72	347,573 67	278 05	
Lehigh Valley Terminal Railway Co.	1,456,269 71	1,459,807 09		3,537 38
Pay checks, &c., outstanding	172,239 07	88,954 22	83,284 85	
Insurance fund, "Bee Line"	142,000 00	118,000 00	24,000 00	
Unadjusted tax accounts	419,775 50	408,970 87	10,804 63	
Unadjusted lease accounts	153,975 24	169,625 53		15,650 29
Philadelphia and Reading Railroad Co., lessees, construction	1,104,487 21	949,743 19	154,744 02	
Philadelphia and Reading Railroad Co., lessees, equipment	452,041 60	452,041 60		
Profit and loss	7,534,277 24	7,672,712 93		138,435 69
	\$91,117,134 42	\$89,711,316 73	\$1,405,817 69	

APPENDIX B.

DETAILED STATEMENT OF OPERATING EXPENSES.

For year ended November 30th, 1896.

MAINTENANCE OF WAY AND STRUCTURES:—

Repairs of roadway	\$1,081,012	86	
Renewal of rails	83,674	33	
Renewal of ties	314,611	13	
Repairs of bridges and culverts . . .	104,943	04	
Repairs of buildings and fixtures . .	335,130	19	
Repairs of docks and wharves . . .	78,250	46	
Other expenses, maintenance of way and structures	85,290	76	
			\$2,082,912 77

MAINTENANCE OF EQUIPMENT:—

Repairs and renewals of locomotives .	\$995,016	98	
Repairs and renewals of cars	1,234,201	88	
Shop machinery and tools	84,677	40	
Other expenses, maintenance of equip- ment	290,790	24	
			2,604,686 50

CONDUCTING TRANSPORTATION:—

Train service and supplies	\$1,717,770	79	
Locomotive service and supplies . .	1,732,672	86	
Fuel for locomotives	1,770,876	84	
Station service and supplies	1,732,212	38	
Damages to persons and property . .	78,186	47	
Terminal shipping expenses	343,829	07	
Outside agencies and advertising . .	204,953	76	
Rents of tracks and terminals	581,532	76	
Rents of buildings and other property	112,230	86	
Other expenses, conducting transpor- tation	828,528	29	
			9,102,794 08

GENERAL EXPENSES:—

Office expenses, salaries, &c., through- out the whole railway system . .	\$356,564	47	
Insurance	16,731	97	
Legal expenses	82,387	43	
Other general expenses	129,028	15	
			584,712 02
COUNTY AND LOCAL TAXES			208,552 42

Total operating expenses \$14,583,657 79

APPENDIX C.

STATEMENT OF CHARGES TO CAPITAL ACCOUNTS.

For year ended November 30th, 1896.

RAILROAD:—

Transferred from Real Estate account . .	\$292,520 50	
Right of way and new stations	40,603 89	
	<hr/>	\$333,124 39

EQUIPMENT:—

Locomotive engines bought of Baldwin		
Locomotive Works	\$554,984 42	
2000 box cars	1,218,039 24	
1000 coal cars, 50 stock cars, and 6 combination cars	659,475 28	
Passenger, dining and postal cars	104,074 26	
Paid on account of sundry new cars, not completed	29,170 60	
	<hr/>	2,565,743 80
		<hr/>
		\$2,898,868 19

REAL ESTATE:—

Jersey City, N. J.	\$53,860 61	
Newark, N. J.	4,000 00	
Northumberland County, Pa.,	6,830 00	
Luzerne County, Pa.	1,446 00	
Northampton County, Pa.	2,702 19	
	<hr/>	\$68,838 80

Credit by:—

Transferred to Railroad account	\$292,520 50	
Sundry properties sold	865,064 63	
	<hr/>	1,157,585 13
Deduct Credit account Real Estate	<hr/>	1,088,746 33
Net charges to Capital Accounts		<hr/> <hr/>
		\$1,810,121 86

APPENDIX D.

ADVANCES TO ALLIED COMPANIES FOR CHARGES TO CAPITAL
ACCOUNTS.*During year ended November 30th, 1896.*

LEHIGH VALLEY COAL COMPANY:—

Cash advances	\$1,909,350 00	
Less credits	49,498 43	
	<hr/>	\$1,859,851 57

LEHIGH VALLEY RAIL WAY COMPANY OF NEW YORK:—

New tracks and sidings	\$13,524 66	
New stations and buildings	6,082 86	
Interlocking signals	6,194 68	
Hoisting machinery, Tift Farm Docks	31,000 00	
Sundries	2,042 78	
Real estate	168 00	
Legal and engineering expenses	12,513 28	
	<hr/>	71,526 26

ROCHESTER SOUTHERN RAILROAD COMPANY:—

New tracks and sidings	\$35,354 99	
New stations and buildings	11,733 47	
Bridges and highway crossings	33,420 25	
Canal feeder bank protection	1,215 78	
Masonry	4,120 00	
Real estate and right of way	22,667 66	
Legal and engineering expenses	12,139 98	
	<hr/>	120,652 13

DEPEW AND TONAWANDA RAILROAD COMPANY:—

New tracks and sidings	\$182,725 89	
New stations and buildings	4,616 90	
Bridges and highway crossings	52,412 15	
Telegraph line	1,762 83	
Grading and masonry	99,140 00	
Undercrossing at Depew	89,036 29	
Real estate and right of way	194,178 10	
Legal and engineering expenses	10,761 61	
	<hr/>	634,633 77

GREENVILLE AND HUDSON RAILWAY COMPANY:—

New tracks and sidings	\$13,413 35	
Bridge masonry and superstructure	123,875 01	
Grading	6,310 00	
Trestling	82,623 29	
Cash advances	42,000 00	
Real estate	92,065 24	
Legal, engineering expenses, &c.	8,806 84	
	<hr/>	369,093 73

EASTON AND NORTHERN RAILROAD COMPANY :—

New tracks and sidings	\$84,552 18
New stations and buildings	2,471 31
Bridges and highway crossings	74,009 21
Grading	13,150 00
Labor and material	4,135 50
Real estate and right of way	45,914 50
Legal and engineering expenses	4,733 43

Total \$228,966 13

LESS CREDIT :—

Cash on account and bonds sold	51,752 81	\$177,213 32
Sundry companies		12,120 74
		<u>\$3,245,091 52</u>

APPENDIX E.

CLASSIFICATION OF MISCELLANEOUS FREIGHT TONNAGE.

	1896.	1895.	DIFFERENCES.
	Net Tons.	Net Tons.	
Grain	1,471,425	943,060	Inc. 528,365
Flour	360,376	334,801	" 25,575
Other mill products	174,090	143,316	" 30,774
Hay	218,766	210,413	" 8,353
Fruits and vegetables	158,288	122,699	" 35,589
Other agricultural products	68,474	87,474	Dec. 19,000
Live stock	163,495	124,824	Inc. 38,671
Dressed meats	135,121	114,365	" 20,756
Hides and leather	21,172	27,841	Dec. 6,669
Milk	36,423	21,176	Inc. 15,247
Other products of animals	22,289	16,105	" 6,184
Ores	170,195	290,898	Dec. 120,703
Stone, sand, and other like arti- cles	281,746	241,879	Inc. 39,867
Roofing slate	60,602	52,776	" 7,826
Lumber	620,674	632,468	Dec. 11,794
Bark	27,382	39,630	" 12,248
Petroleum and other oils	79,858	56,536	Inc. 23,322
Iron—pig	135,996	144,422	Dec. 8,426
Iron and steel rails	45,181	70,407	" 25,226
Copper and lead pig	36,181	29,038	Inc. 7,143
Bar and sheet metal	123,754	168,533	Dec. 44,779
Cement, brick, and lime	325,991	318,062	Inc. 7,929
Wines, liquors, and beers	28,532	23,225	" 5,307
Sugar and glucose	141,155	112,266	" 28,889
Salt	44,640	62,838	Dec. 18,198
Other miscellaneous	1,568,770	1,468,573	Inc. 100,197
Total	6,520,576	5,857,625	Inc. 662,951
Company material	155,562	148,130	Inc. 7,432

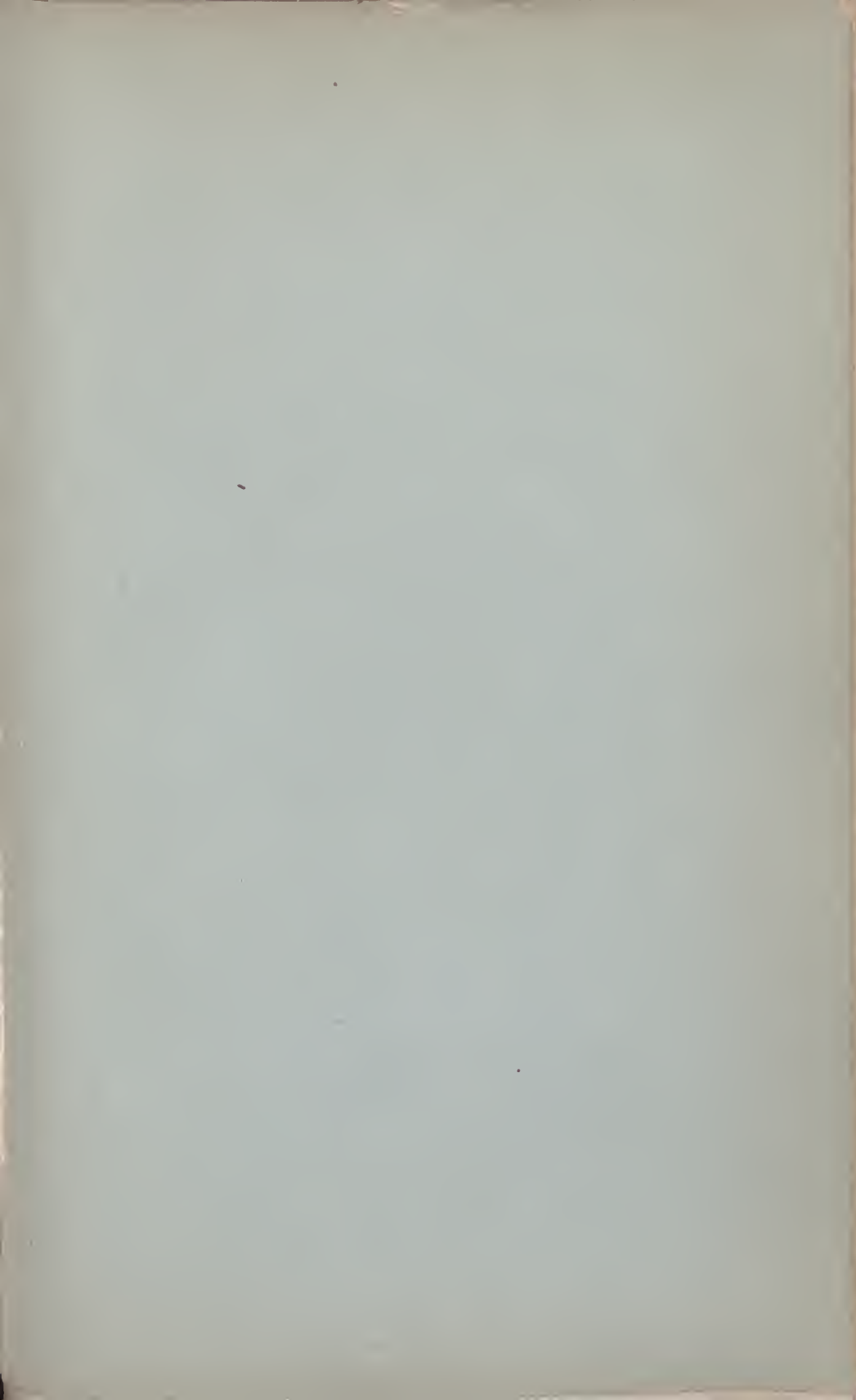
APPENDIX F.

STATEMENT SHOWING DISTRIBUTION OF ANTHRACITE COAL, IN TONS OF 2240 POUNDS, TRANSPORTED
OVER LEHIGH VALLEY RAILROAD FOR THE FISCAL YEAR ENDED NOVEMBER 30TH, 1896.

POINTS OF DELIVERY.		1896.	1895.	DIFFERENCES.
Local points		1,566,400	1,598,623	32,223 Dec.
North Fair Haven		49,713	57,137	7,424 "
Ithaca Docks		75,114	138,652	63,538 "
Buffalo, Bridges, &c.		966,056	819,392	146,664 Inc.
Morris Canal		203,607	256,590	52,983 Dec.
Tide points		1,871,953	1,973,497	101,544 "
New York Central and Hudson River Railroad		165,961	220,812	54,851 "
Rome, Watertown and Ogdensburg Railroad		41,404	43,837	2,433 "
Western New York and Pennsylvania Railroad		13,010	9,519	3,491 Inc.
Buffalo, Rochester and Pittsburg Railroad		10,713	56,764	46,051 Dec.
Genesee and Wyoming Valley Railroad		1,193	1,152	41 Inc.
New York, Lake Erie and Western Railroad		15,013	100,342	85,329 Dec.
New York, Susquehanna and Western Railroad		702,167	685,747	16,420 Inc.
Central Railroad of New Jersey		37,731	68,784	31,053 Dec.
Philadelphia and Reading Railroad		174,442	271,454	97,012 "
Pennsylvania Railroad		1,149,075	1,204,944	55,869 "
Lehigh and Hudson River Railroad		8,388	9,252	864 "
Delaware, Lackawanna and Western Railroad		2,437	3,968	1,531 "
New York, New Haven and Hartford Railroad		185,484	158,338	27,146 Inc.
Trackage		2,304,818	2,296,966	7,852 "
Supply		754,298	785,022	30,724 Dec.
Total		10,298,977	10,754,792	455,815 Dec.
Total in tons of 2000 pounds		11,534,854	12,045,368	510,514 Dec.

APPENDIX G. LEHIGH VALLEY COAL COMPANY.

ASSETS.	1896.	1895.	INCREASE.	DECREASE.	LIABILITIES.	1896.	1895.	INCREASE.	DECREASE.
Coal properties	\$4,739,927 75	\$4,855,585 07	. . . . .	\$115,657 32	Capital stock	\$550,000 00	\$550,000 00	. . . . .	. . . . .
Colliery improvements	5,532,924 44	4,998,559 90	\$534,373 54	. . . . .	First mortgage 5 per cent. gold loan	11,782,000 00	11,800,000 00	. . . . .	\$18,000 00
Advanced royalties	3,502,953 35	3,203,310 57	299,642 78	. . . . .	Snow Shoe bonds	500,000 00	500,000 00	. . . . .	. . . . .
West Superior coal storage	351,855 01	293,564 33	\$58,290 68	. . . . .	Due Lehigh Valley Railroad Com- pany	5,166,889 85	3,304,493 18	\$1,862,396 67	. . . . .
Calumet Dock	215,615 03	. . . . .	215,615 03	. . . . .	Sundry credit accounts, including amount due operators for Novem- ber coal	1,140,980 47	1,133,247 65	7,732 82	. . . . .
Cash	363,583 99	820,067 02	. . . . .	456,483 03	Profit and loss	1,928,551 78	2,019,375 83	. . . . .	90,824 05
Notes and mortgages receivable	601,317 46	631,561 47	. . . . .	30,244 01					
Interest in allied companies	703,568 00	693,568 00	10,000 00	. . . . .				
Royalties due by lessees	39,522 83	59,061 24	. . . . .	19,538 41					
Due for coal sold	2,168,259 32	2,245,667 35	. . . . .	77,408 03					
Sundry debtor accounts	256,675 98	240,676 75	15,999 23	. . . . .				
Coal on hand as per inventory	2,690,285 03	1,363,570 05	1,326,714 98	. . . . .				
Trustees of Sinking Fund, \$19,933 91 Less bonds canceled in } 1896 }	1,933 91	1,933 91					
	\$21,168,422 10	\$19,407,116 66	\$1,761,305 44		\$21,168,422 10	\$19,407,116 66	\$1,761,305 44



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